REMARKS

Claims 1-7 are presently pending. In the May 3, 2004 Office Action, the Examiner rejected claims 1-7 as obvious under 35 U.S.C. § 103(a) over Shimizu (JP 11 142878). Applicants respectfully traverse.

The Examiner rejected claims 1, 2 and 5 as obvious over Shimizu alleging that Shimizu discloses "a method of forming an image display unit which comprises forming a display element layer...a selective resin/UV step of selecting the elements to be transferred and applying adhesive resin, and irradiating them with UV rays so that the selected display units are distinguishable from the non-selected display elements..." May 3, Office Action at 2. The Examiner admits that Shimizu does not teach using magnetic film and using the magnetic film to transfer the elements onto a mounting board. Applicants submit that the Examiner has not made a prima facie case of obviousness.

The Examiner cites to a passage in Shimizu that states "that using magnetic forces instead of UV adhesive resin allows for a more adaptable and accommodating manufacturing method by allowing an element selecting process to be carried out on the side of an imprint, the other side or both sides." Id. at 3. The Examiner then states that "Shimizu is silent as to the exact steps taken to use magnetic forces in a manufacturing process" and that "one of ordinary skill in the art will recognize that a magnetic film is needed, instead of a layer of adhesive resin, to use magnetic forces when transferring the selected display elements onto a mounting board." Id. The Examiner has erroneously equated the use of adhesive resin with the use of magnetic film and the selective magnetization step recited in claim 1 is an obvious extension.

Shimizu does not render any of the pending claims obvious. Shimizu fails to teach, at least, the "selective magnetization step of selecting, of all of the display elements, those located discretely at specific intervals of a value equivalent to an integer-fold of the specific cycle, and magnetizing the magnetic film portions provided on the selected display elements in such a manner that the magnetic film portions provided on the selected display units are magnetically distinguishable from the magnetic film portions provided on the non-selected display elements." Notably, the process disclosed in Shimizu relies on selective application of adhesive resin to

selected elements and then irradiating all of them. Nothing in Shimizu suggests that one of ordinary skill in the art would have known to use magnetic film and to magnetize the magnetic film portions on the selected display elements in such a manner that the magnetic film portions provided on the selected display units are <u>magnetically</u> <u>distinguishable</u> from the magnetic film portions provided on the non-selected display elements. The Examiner has also failed to cite to any prior art reference or other evidence to show that one of ordinary skill in the art would have known to use the magnetic film in the manner recited in the pending claims.

Applicants respectfully submit that the Examiner has failed to make a prima facie case of obviousness. Claims 1-7 are therefore ready for allowance. Favorable reconsideration is respectfully requested.

Respectfully submitted,

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